

**CONFIDENTIAL**

**JOHN HOLMES**

**FAXED**

**From: Jonathan Powell**

**Date: 11 January 1998**

**cc: PS/NI Secretary  
Paul Murphy  
Quentin Thomas  
Jonathan Stephens**

**HEADS OF AGREEMENT**

Paddy Teahon called at 1030 our time to follow-up the Prime Minister's conversation with the Taoiseach.

He said their proposal was that the two Governments table the text, if we were able to agree it, at the Business Committee on Monday. We should make clear that these were propositions, which we believed attracted a good measure of support, although no-one would find them perfect.

We should propose that the parties give their reactions, but that rather than trying to negotiate the text we move on to negotiations on the detail. We should ask the Chairmen to proceed. It was important that we then moved to a plenary rather than Strand 1 straightaway. The nationalists would not be able to agree to discuss an assembly before there had been a more general discussion. The plenary could be on Monday evening or Tuesday morning. I said I would consult the NIO on all of this. Presumably Paul Murphy would take the lead.

On the points the Prime Minister had raised, he said they could agree to the following:

**CONFIDENTIAL**



- paragraph 1: if we referred to Articles 2 and 3 then we would have to refer to Section 75. They could agree instead to "both changes to the Irish Constitution and a new British Constitutional Act". It would of course be a problem for Trimble if we dropped Articles 2 and 3;
- paragraph 2: the Irish say they need to insert "in the operation of these institutions" after "work together successfully" in this paragraph. They say – correctly in my view – that this would not amount to a veto;
- first tiret: they absolutely cannot agree to "of these islands". They could agree to something like "to deal with the totality of relations between Britain and Ireland" but recognised this would not help much;
- second tiret: they cannot agree to "cooperate" and "consult" appearing in the first sentence. They could however agree to amending the second sentence to read "each side will consult, cooperate and act on matters of mutual interest within the mandate of, and accountable to, the Northern Ireland Assembly and the Oireachtas respectively."
- third tiret: they have very little room for manoeuvre here. They can only agree to the creation of the executive agencies being conditional if we can agree to the assembly being conditional. They can use some word other than "agencies", such as "bodies", but must have the word "executive". The sort of solutions suggested by the Prime Minister were not acceptable;

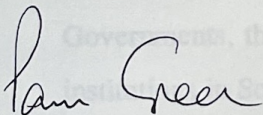


- penultimate paragraph: they are assuming we have conceded Bill of Rights. Paddy Teahon tried to reopen equity and replace it with equality. But I said this was not acceptable and he conceded;
- last paragraph: when I pressed him on reform of policing, he agreed to drop the reference to reform and dropping the word "normal" which was difficult for the UUP. This is a useful small concession.

I said to Teahon that the Irish were not giving the Prime Minister much room for manoeuvre when he went back to Trimble at lunchtime. Teahon suggested we told Trimble that we were giving him as much room for manoeuvre as possible. He did not have to accept these propositions and he could interpret them as he wished, eg making it clear that the intergovernmental council was, as far as he was concerned, a council of these islands.

Teahon said the Irish would work on the SDLP. They were relatively confident that they would go along with the text while not welcoming all the details in it. Sinn Fein would of course be more difficult.

He ended with a plea that the Prime Minister speak to Gerry Adams. As we knew, the man murdered last night was the husband of his niece.



JONATHAN POWELL

cos\heads pmg